

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Removal and Prohibition of:

No. 08F-BD041-BNK

3 **WENDY KAUFFMAN, FKA WENDY HAHN**
4 2041 E. Pinto Drive
5 Gilbert, Arizona 85296

CONSENT ORDER

6 Respondent.

7 On February 21, 2008, the Arizona Department of Financial Institutions ("Department")
8 issued a Notice of Hearing alleging that Respondent had violated Arizona law. Wishing to resolve
9 this matter in lieu of an administrative hearing, Respondent does not contest the following Findings
10 of Fact and Conclusions of Law, and consents to entry of the following Order.

11 FINDINGS OF FACT

12 1. Respondent Wendy Kauffman, formerly known as Wendy Hahn ("Mrs. Kauffman")
13 was employed as a Branch Manager for Premier Title Agency, L.L.C. ("Premier") from
14 approximately June 5, 2006 to March 5, 2007.

15 2. Premier is a division of Title Security Agency of Arizona licensed by the Department
16 as an escrow agent, license number EA-0001723.

17 3. Premier initiated an internal audit involving Mrs. Kauffman's escrow transactions on
18 or around March 6, 2007.

19 4. Premier discovered a defalcation when a customer called regarding the status of the
20 payment of a line of credit. Upon further inquiry, it was determined that Mrs. Kauffman wrongfully
21 made requests for unauthorized wire transfers and had them signed by authorized signers who were
22 not part of her unit and unfamiliar with the files and transactions. Mrs. Kauffman wrongfully
23 diverted escrow funds.

24 5. Premier's investigation and audit revealed approximately ten (10) escrow files
25 evidencing Mrs. Kauffman's direct involvement in a defalcation in the amount of one hundred forty
26 five thousand, five hundred twenty five dollars and twenty seven cents (\$145,525.27).

1 savings bank or savings and loan association doing business in this state and by
2 failing to keep all escrow monies separate, distinct and apart from monies belonging
3 to the escrow agent; and

4 b. A.R.S. § 6-841.01(A) by breaching, as an employee of an escrow agent, a fiduciary
5 duty as a trustee to the owner of all monies received or collected and held in escrow
6 and by knowingly and negligently commingling trust monies with the escrow agent's
7 own monies or with monies held in any other capacity.

8 3. The conduct of Mrs. Kauffman, as set forth above, constitutes acts, omissions, and
9 practices which demonstrate personal dishonesty and unfitness to continue in office or to participate
10 in the conduct of the affairs of any financial institution or enterprise and is grounds for removal and
11 the prohibition of Mrs. Kauffman from participating in any manner in the conduct of the affairs of
12 any financial institution or enterprise within the meaning of A.R.S. § 6-161(A)(1).

13 4. Mrs. Kauffman's violations of A.R.S. §§ 6-834(A) and 6-841.01(A) constitute
14 grounds for the removal and the prohibition of Mrs. Kauffman from participating in any manner in
15 the conduct of the affairs of any financial institution or enterprise, pursuant to A.R.S. § 6-161(A)(6).

16 5. The violations, set forth above, constitute grounds for the Superintendent to order the
17 removal and the prohibition of Mrs. Kauffman from further participation in any manner as a director,
18 officer, employee, agent or other person in the conduct of the affairs of any financial institution or
19 enterprise, pursuant to A.R.S. § 6-161.

20 **ORDER**

21 1. Mrs. Kauffman shall be prohibited from further participation in any manner in the
22 conduct of the affairs of any financial institution or enterprise, pursuant to A.R.S. § 6-161.

23 2. This Order shall become effective upon service, and shall remain effective and

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26 ...

1 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
2 or set aside.

3 SO ORDERED this 4 day of April, 2008.

4 *Paul D. CBA*
5 Assistant Superintendent
6 for Felecia A. Rotellini
7 Superintendent of Financial Institutions

8 **CONSENT TO ENTRY OF ORDER**

9 1. Respondent acknowledges that she has been served with a copy of the foregoing
10 Findings of Fact, Conclusions of Law and Order in the above-referenced matter, has read the same,
11 is aware of her right to an administrative hearing in this matter, and has waived the same.

12 2. Respondent admits the jurisdiction of the Superintendent and consents to the entry of
13 the Foregoing Findings of Fact, Conclusions of Law and Order.

14 3. Respondent states that no promise of any kind or nature has been made to induce her
15 to consent to the entry of this Order, and that she has done so voluntarily.

16 4. Respondent agrees to refrain from seeking any future employment with any financial
17 institution or enterprise.

18 5. Respondent acknowledges that the acceptance of this Agreement by the
19 Superintendent is solely to settle this matter and does not preclude the Department, any other agency
20 or officer of this state or subdivision thereof from instituting other proceedings as may be
21 appropriate now or in the future.

22 6. Respondent waives all rights to seek judicial review or otherwise to challenge or
23 contest the validity of this Consent Order.

24 DATED this 29 day of March, 2008.

25 By: WKauffman
26 Wendy Kauffman, fka Wendy Hahn
Respondent

OFFICE OF THE ATTORNEY GENERAL
PHOENIX, ARIZONA

1 ORIGINAL of the foregoing filed this 4/16
2 day of April, 2008, in the office of:

3 Felecia A. Rotellini
4 Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 ATTN: Susan Longo
7 2910 N. 44th Street, Suite 310
8 Phoenix, AZ 85018

9 COPY mailed/delivered same date to:

10 Thomas Shedden, Administrative Law Judge
11 Office of Administrative Hearings
12 1400 West Washington, Suite 101
13 Phoenix, AZ 85007

14 Erin O. Gallagher, Assistant Attorney General
15 Office of the Attorney General
16 1275 West Washington
17 Phoenix, AZ 85007

18 Robert D. Charlton, Assistant Superintendent
19 Arizona Department of Financial Institutions
20 2910 N. 44th Street, Suite 310
21 Phoenix, AZ 85018

22 AND COPY MAILED SAME DATE by
23 Certified Mail, Return Receipt Requested, to:

24 Wendy Kauffman
25 5100 S. California
26 Chandler, AZ 85248
Respondent

27 
28 _____
29 164596; CPA07-121